

Summary of BSA Requirements for MSBs

- > **Registration** – Certain MSBs must register and maintain a list of agents, if any.
- > If an MSB knows, suspects, or has reason to suspect that any transaction or activity is **suspicious** and it involves or aggregates funds or other assets of **\$2,000 or more**, (\$5,000 or more if identified by issuers from a review of clearance records), it must **file a SAR**.
- > **Anti-Money Laundering (AML) compliance program** – All MSBs are required to develop and implement an AML compliance program.
- > If an MSB provides either **cash-in or cash-out transactions** of **more than \$10,000** with the same customer in a day, it must **file a CTR**.
- > If an MSB provides **money orders or traveler's checks** for cash of **\$3,000–\$10,000**, inclusive, to the same customer in a day, it must **keep a record**.
- > If an MSB provides **money transfers** of **\$3,000 or more** to the same customer in a day, regardless of the method of payment, it must **keep a record**.
- > If an MSB provides **currency exchanges** of **more than \$1,000** to the same customer in a day, it must **keep a record**.

For answers to your questions about BSA reporting and recordkeeping requirements, please visit www.msb.gov.

Or call:

Detroit Computing Center Hotline
1-800-800-2877

FinCEN Regulatory Helpline
1-800-949-2732

To order free guidance materials
1-800-386-6329

**To order BSA forms from the
IRS Forms Distribution Center**
1-800-829-3676

This pamphlet is intended only as general guidance on requirements under 31 CFR Part 103. This pamphlet does not replace or supersede the regulation.

**The Campaign AGAINST
Financial Crimes**

Financial Crimes Enforcement Network
U.S. Department of the Treasury
Washington, DC

BANK SECURITY ACT REQUIREMENTS

A Quick Reference Guide for Money Services Businesses

The Bank Secrecy Act

The Bank Secrecy Act (BSA) was enacted by Congress in 1970 to fight money laundering and other financial crimes.

The BSA requires many financial institutions to create "paper trails" by keeping records and filing reports on certain transactions. These reports are submitted to the U.S. Department of the Treasury's Financial Crimes Enforcement Network (FinCEN). FinCEN collects and analyzes the information to support law enforcement investigative efforts and to provide U.S. policy makers with strategic analyses of domestic worldwide money laundering developments, trends and patterns.

The BSA's reporting and recordkeeping provisions apply to banks, savings and loans, and credit unions as well as other financial institutions, including money services businesses (MSBs).

In addition to the general guidelines provided here, other BSA requirements may apply to a specific MSB. Please visit www.msb.gov for more regulatory information.

For further information, see our pamphlet entitled "Reporting Suspicious Activity: A Quick Reference Guide for Money Services Businesses."



Currency Transaction Reports

MSBs must file a Currency Transaction Report (CTR) within 15 days whenever a transaction or series of transactions in currency:

- > Involves more than \$10,000 in either cash-in or cash-out, **and**
- > Is conducted by, or on behalf of, the same person, **and**
- > Is conducted on the same business day.

Multiple cash transactions are considered to be one transaction on which a CTR must be filed if the MSB has knowledge that:

- > They are by or on behalf of the same customer during one business day, **and**
- > They are conducted at one or more branches or agents of the same MSB, **and**
- > They total more than \$10,000 in either cash-in or cash-out.

How to File a CTR

1. Verify and record customer ID.
2. Record customer transaction information.
3. Make a copy of the completed CTR.
4. Send the original CTR to:
 - IRS Detroit Computing Center
 - Attn: CTR
 - P.O. Box 33604
 - Detroit, MI 48232-5604
5. Keep a copy of the CTR for 5 years from the date of filing the report.

RECORDKEEPING REQUIREMENTS

Cash Purchases of \$3,000-\$10,000, Inclusive

MSBs that sell money orders or traveler's checks are required to record cash purchases involving \$3,000-\$10,000, inclusive.

Multiple cash purchases of monetary instruments totalling \$3,000 or more must be treated as one purchase which must be recorded if:

1. They are made at the same time, **or**
2. The MSB has knowledge that such purchases occurred during one business day.

How to record a money order or traveler's check sale for cash of \$3,000-\$10,000, inclusive:

1. Verify and record customer information, including ID.
2. Record transaction information – amount, date of sale and serial number(s) for each instrument.
3. Keep the record for 5 years from the date of transaction.

Money Transfers of \$3,000 or More

MSBs that provide money transfer services must obtain and record specific information for each money transfer of \$3,000 or more, regardless of the method of payment.

How to record a money transfer of \$3,000 or more for money transfer senders and receivers:

1. Verify customer ID.
2. Record customer and transaction information.
3. Sender must provide certain information to the receiving MSB or other receiving financial institution.
4. Keep the record for 5 years from the date of transaction.

Currency Exchanges of More Than \$1,000

Currency exchangers must keep a record of each exchange totaling more than \$1,000 in either domestic or foreign currency.

How to record a currency exchange:

1. Record customer information.
2. Record transaction information.
3. Keep the record for 5 years from the date of transaction.

Suspicious Activity Reporting Requirements

Certain money services businesses – businesses that provide money transfers or currency dealing or exchange; or businesses that issue, sell, or redeem money orders or traveler's checks – must report suspicious activity involving any transaction or pattern of transactions at or above a certain amount:

- > \$2,000 or more;
- > \$5,000 or more for issuers reviewing clearance records.

You have 30 calendar days to file a SAR after becoming aware of any suspicious transaction that is required to be reported.

How to Report Suspicious Activity

1. Record relevant information on a Suspicious Activity Report by MSB (SAR-MSB) form available at www.msb.gov or by calling the IRS Forms Distribution Center: 1-800-829-3676.
2. Submit completed SAR to:
 - Detroit Computing Center
 - Attn: SAR-MSB
 - P.O. Box 33117
 - Detroit, MI 48232-5980.
3. Keep a copy of the report and any supporting documentation for 5 years from the date of filing the report.